

Orbost gas plant, hub for the Sole Gas Project



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Qualified petroleum reserves and resources evaluator

This report contains information on petroleum resources which is based on and fairly represents information and supporting documentation reviewed by Mr Andrew Thomas who is a full time employee of Cooper Energy Limited holding the position of Exploration Manager, holds a Bachelor of Science (Hons), is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers and is qualified in accordance with ASX listing rule 5.41 and has consented to the inclusion of this information in the form and context in which it appears.

Rounding

All numbers in this presentation have been rounded. As a result, some total figures may differ insignificantly from totals obtained from arithmetic addition of the rounded numbers presented.

Dollars

Unless otherwise specified, all dollar amounts are expressed Australian dollars.

Reserves and resources calculation

Information on the company's reserves and resources and their calculation are provided in the Appendices to this document.

Since we presented last year....

Gas projects: moved ahead

- ✓ Resource upgrades for Sole and Manta gas fields
- ✓ Gas supply heads of agreements with AGL and O-I Australia
- ✓ Sole project FEED completed
- ✓ Funding strategy developed

Portfolio: focussed on Aust.

- ✓ Indonesian exploration assets sold
- ✓ Indonesian production assets subject to sales process
- ✓ Withdrawn from 2 of 3 Tunisia permits
- ✓ Completing work program for remaining Tunisian permit
- ✓ Resumed drilling in Cooper Basin

Capital: strengthened

- ✓ Oversubscribed institutional placement
- ✓ Share purchase plan
- ✓ 30 June cash up 26% to \$50 million
- ✓ Register strengthened
- ✓ Share price up 45%¹ on placement & SPP price of \$0.22

An introduction

Cooper Energy is a \$139 million market cap exploration & production company with:

- **cash** generating Cooper Basin **oil production**; and
- an emerging **gas** business possessing supply contracts with **blue-chip customers** in eastern Australia and gas plant and resources which are **cost-competitive** and ideally located.

We expect Phase 1 of our Gippsland Basin gas projects will transform* Cooper Energy:

>6 times growth

in proved & probable **reserves**
within 6 months

> 4 times growth

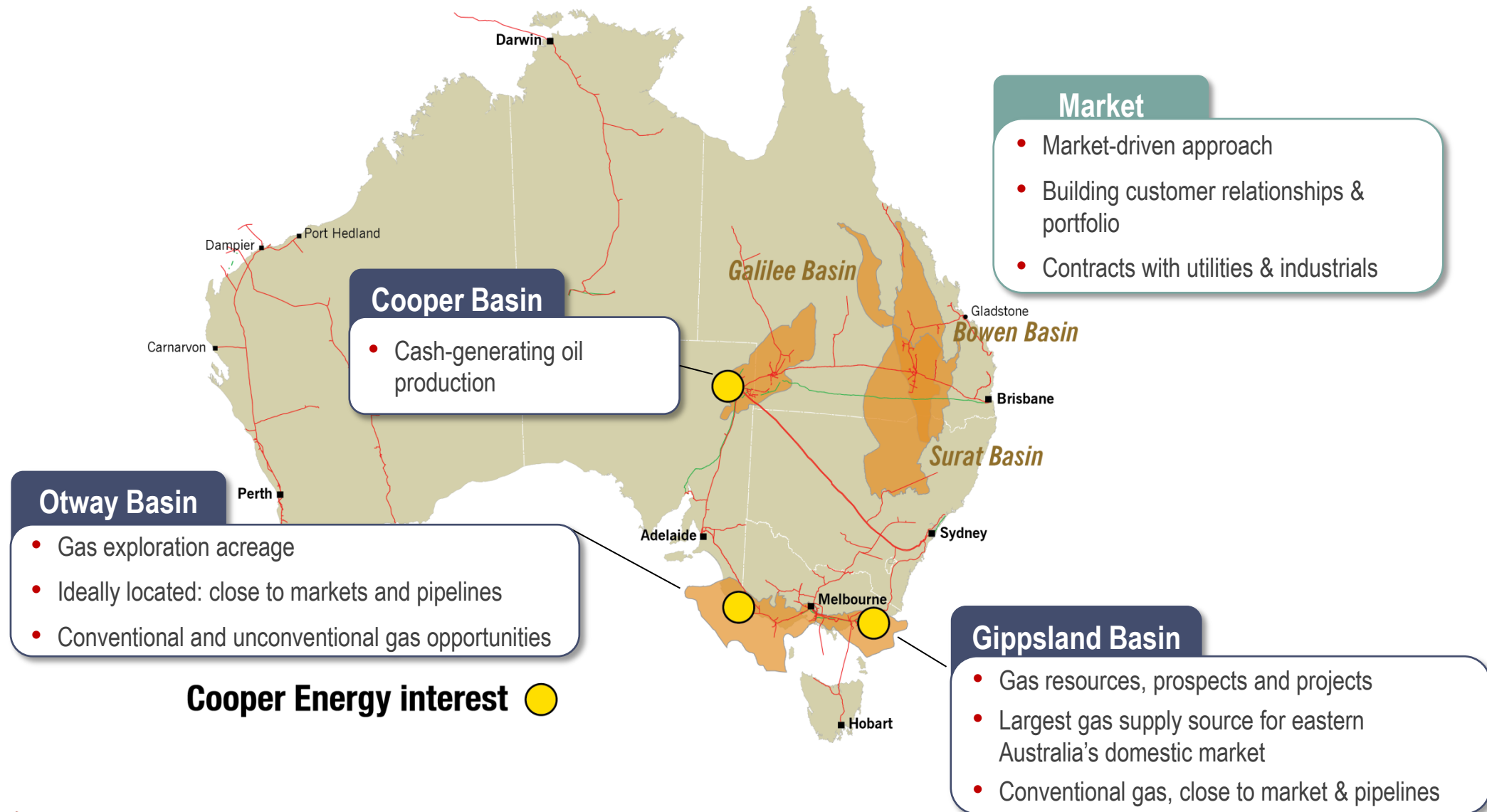
in annual **production** within 3
years

> \$90 million pa

revenue with strong long
term free cash flow

Australian portfolio

Production & exploration assets built around market fundamentals, low cost and foreseeable development

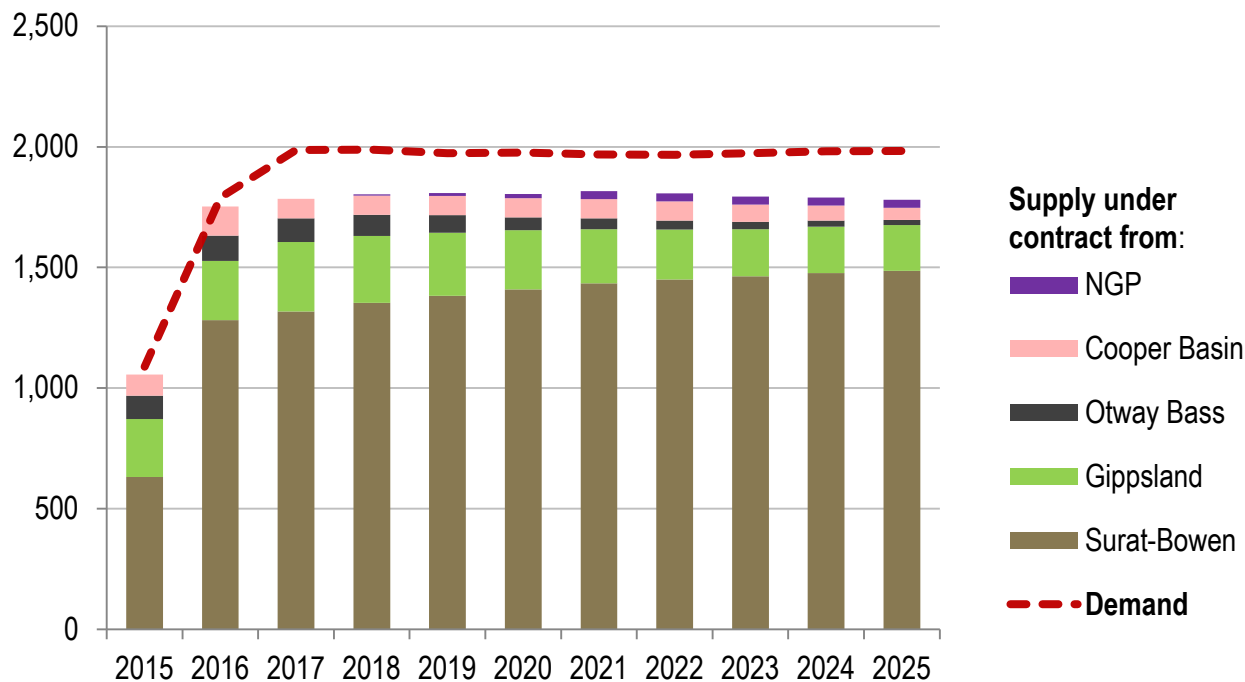


Gas demand & supply outlook for eastern Australia¹

LNG demand is impacting gas flows and contributing to looming gas supply issues

Eastern Australia demand and contracted supply

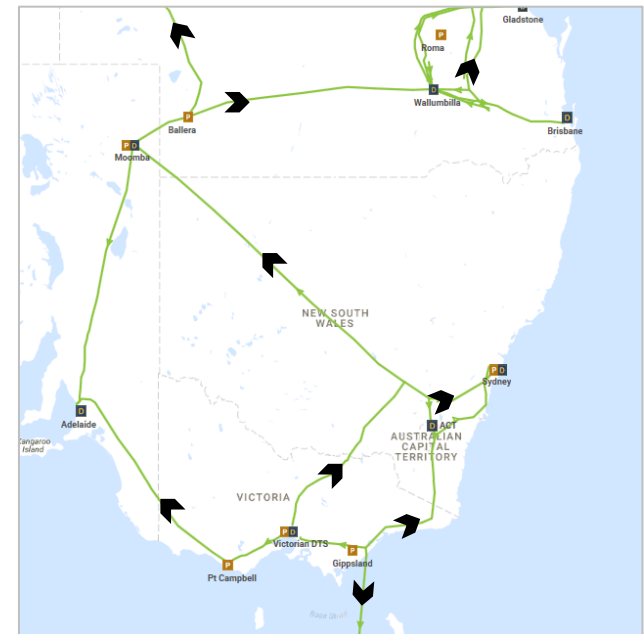
PJ



Source: EnergyQuest EnergyQuarterly May 2016

Net gas flow 5 September 2016

AEMO Gas Bulletin board



Source: <http://gbb.aemo.com.au/>

¹ Eastern Australia comprises Qld domestic and LNG, NSW, Vic, SA & Tasmania.

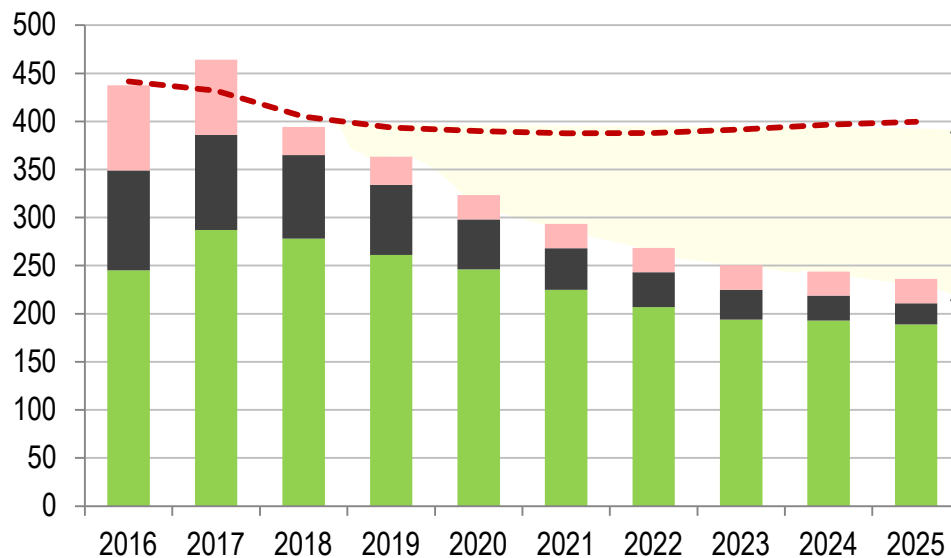
² South east Australia comprises NSW, VIC, SA and Tasmania

The opportunity in gas supply to south east Australia*

Declining supply from main basins and growing shortfall from 2018

Gas demand vs production/contract from existing suppliers for south east Australia

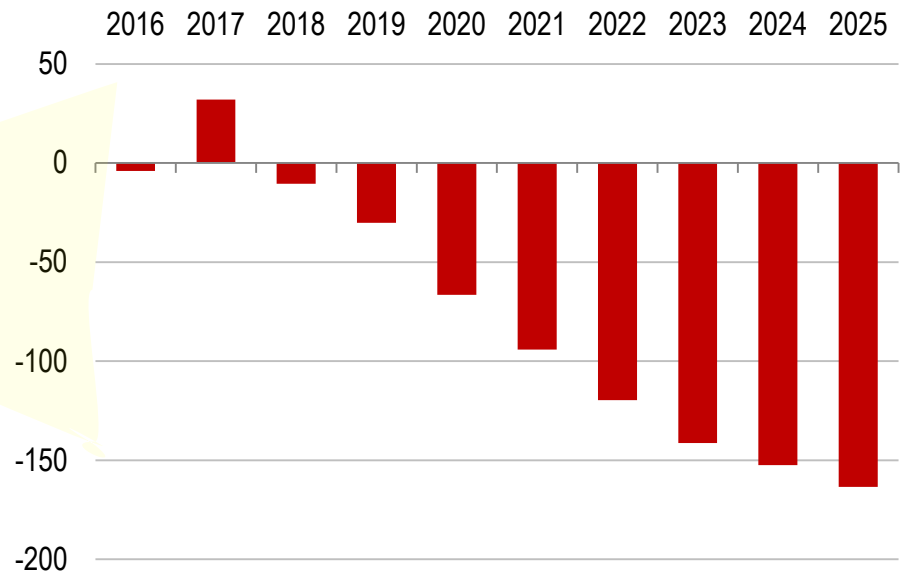
PJ pa



- S E Australia demand¹
- Cooper Basin contract¹
- Otway, Bass Basins' production²
- Gippsland JV production²

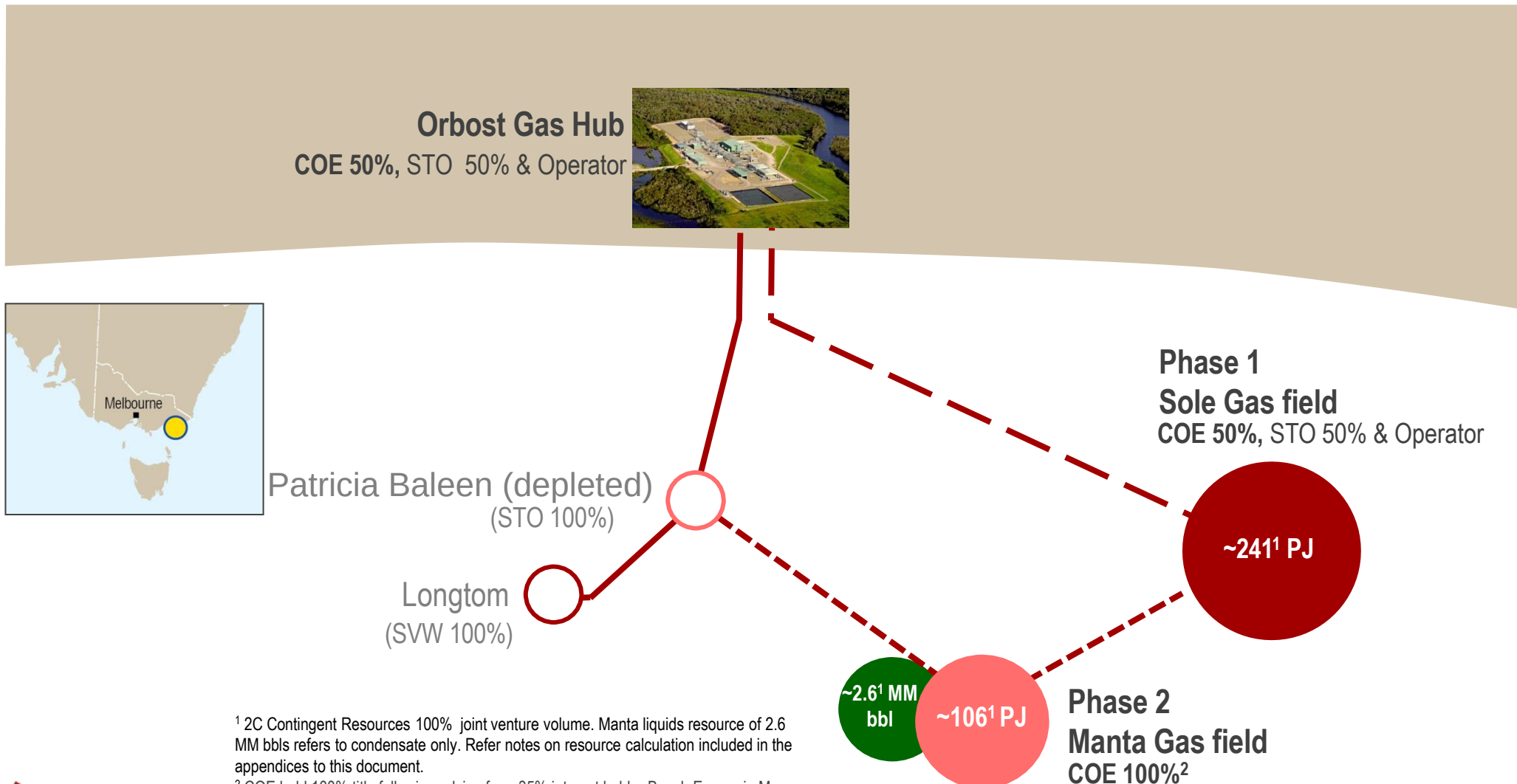
Forecast south east Australia gas demand and supply balance

PJ pa



Gippsland gas projects and Orbost Gas Hub

Conventional resources at the low end of the cost curve in proximity to existing plant and pipeline and with upside in other resources



¹ 2C Contingent Resources 100% joint venture volume. Manta liquids resource of 2.6 MM bbls refers to condensate only. Refer notes on resource calculation included in the appendices to this document.

² COE hold 100% title following advice from 35% interest holder Beach Energy in May 2016 of its intention to withdraw from the joint venture, effective from 27 October 2016. Beach are contractually obliged to perform certain obligations under the JOA in respect of their participating interest (35%) until 27 October. COE expects its 100% equity will be sold down in due course.

Gippsland Basin - existing gas assets and Cooper Energy

Sole delivers transformational change, Phase 2: Manta provides a further step up

FY16

0.5 million boe



Oil production 0.5 MMbbls

FY20:

Phase 1: Sole gas project
over 2 million boe pa



Gas production 12.4 PJ

Oil production: 0.24 MMbbls

FY22:

Phase 2: Sole + Manta gas and
liquids (subject to appraisal)
~ 5 million boe pa



Gas production 27.8 PJ

Liquids production: 0.6 MMbbls

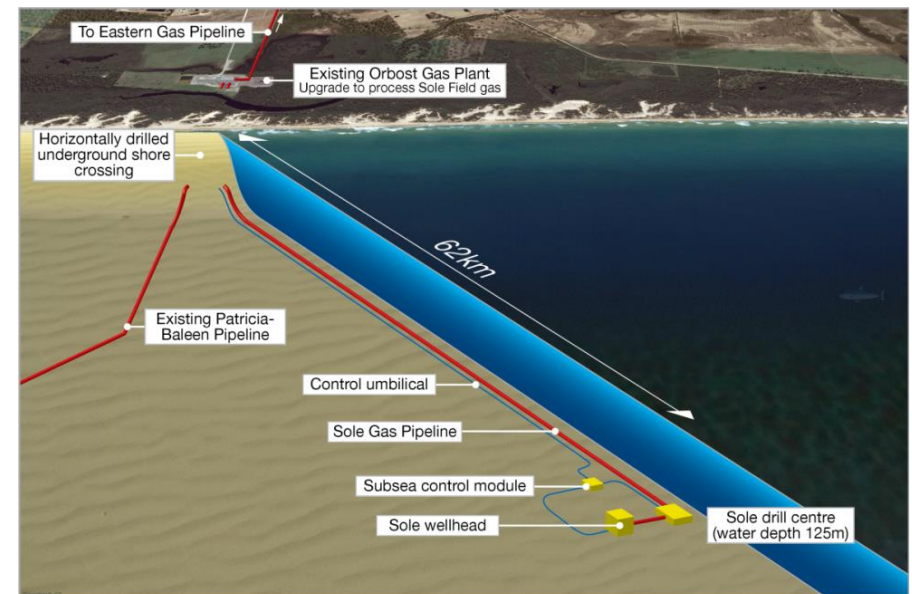
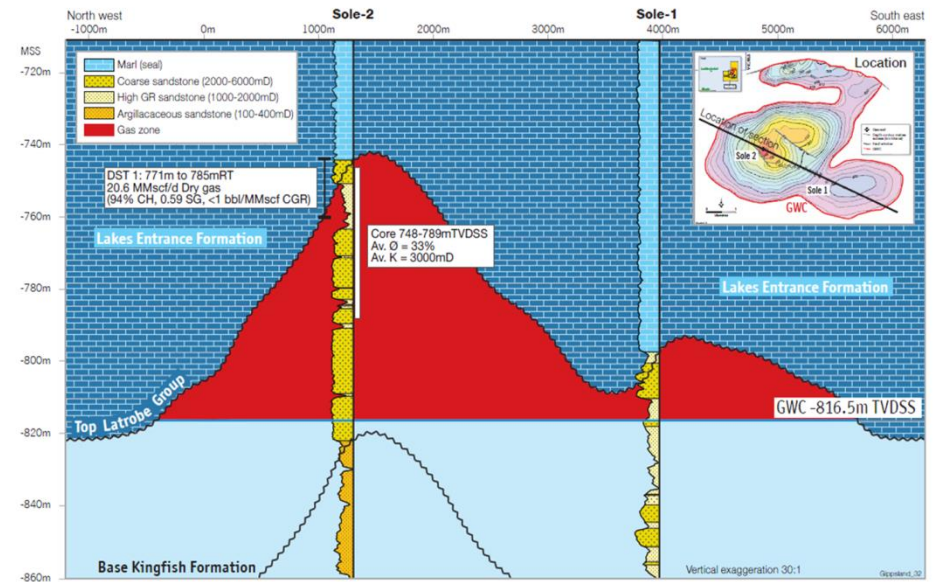
Oil production: 0.2 MMbbls

- Manta liquids
- Manta gas
- Sole gas
- Existing oil with development drilling

Sole Gas Project development plan

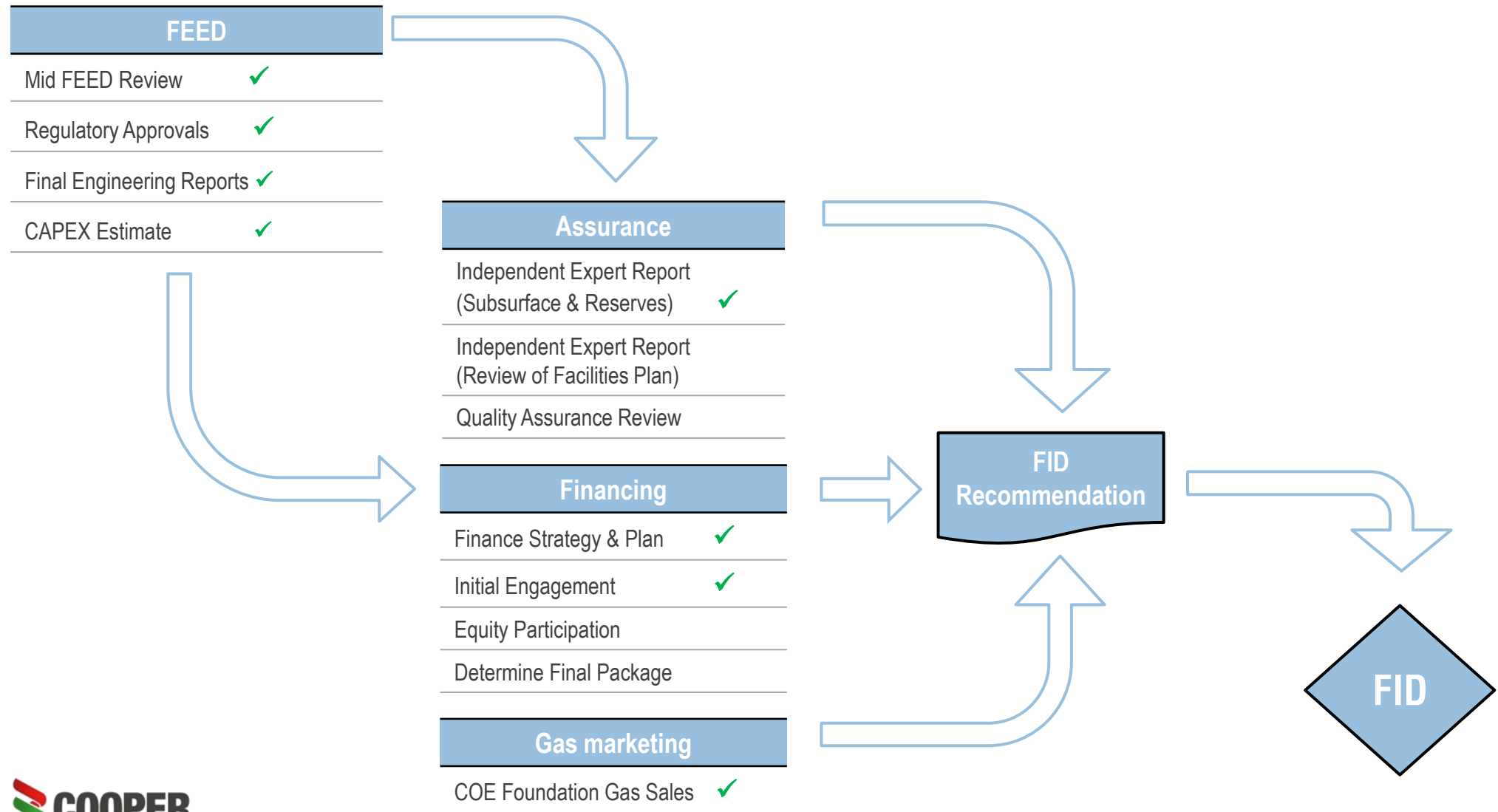
Simple development, using existing onshore plant with subsea and shore crossing as in other Victorian gas projects

- Simple reservoir structure
- Conventional recovery
- Dry gas, pipeline spec CO₂
- Simple development concept
 - single near horizontal subsea well for good reservoir access
 - dedicated pipelines and umbilicals to existing Orbest plant
- H₂S present, to be managed by proven technology onshore plant
- Current project cost estimate is \$552 million:
 - **exclusive of** identified savings opportunities (eg further rig sharing, detailed negotiations on some packages, schedule and contingency optimisation)
 - **inclusive of:** base cost plus allowances, contingencies and commissioning
- Independent Expert to review cost, schedule and technical robustness



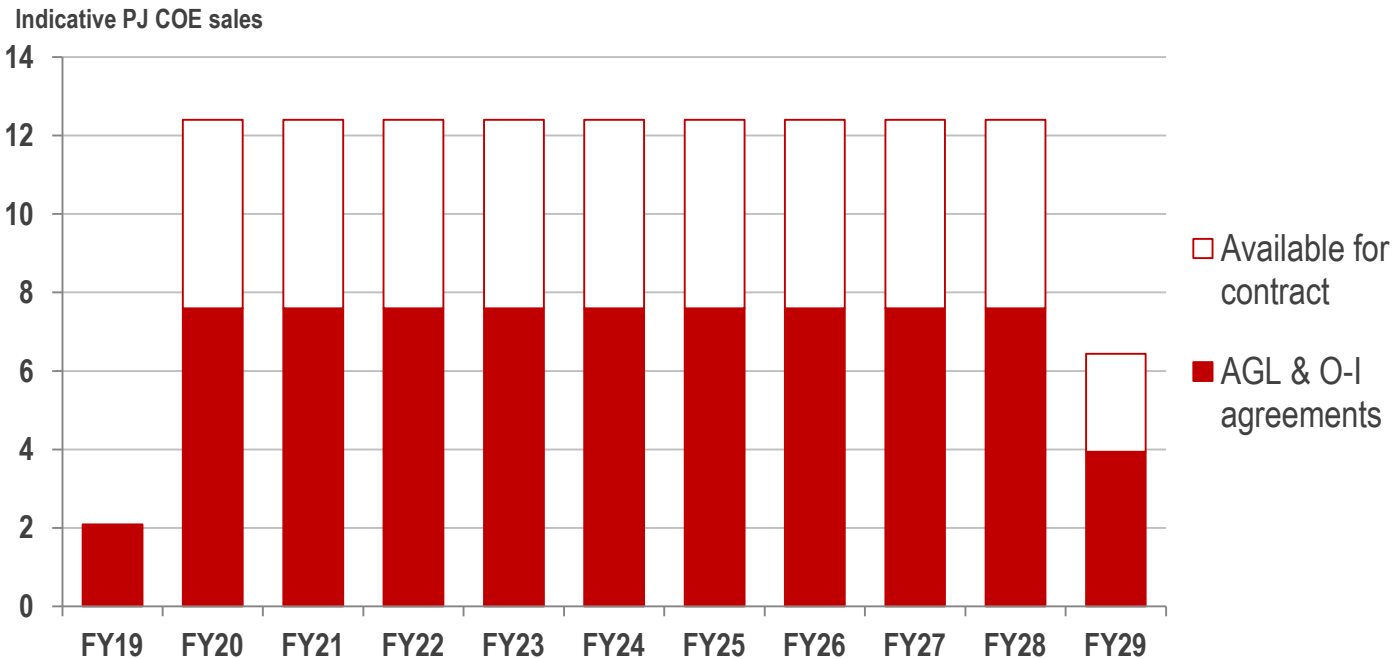
Sole gas project status and forward plan

FEED now finalised, completing other inputs ready for FID in December quarter



Sole gas production¹ and contract profile: COE share

Contracting strategy retains exposure to gas price upside whilst supporting financing



- Foundation Heads of Agreement for 7.6 PJ pa with AGL and O-I Australia = 61% of Cooper Energy equity gas from Sole
- Gas prices increasing as availability tightens; further tightening expected
- Contract strategy balances project development with upside exposure:
 - mixture of long term contracts for prudent project development and retained gas for exposure to increasing prices in medium term
 - customer portfolio balances industrial, utility and other
 - long term and short term contracts and spot sales

Cooper Basin oil production and reserves

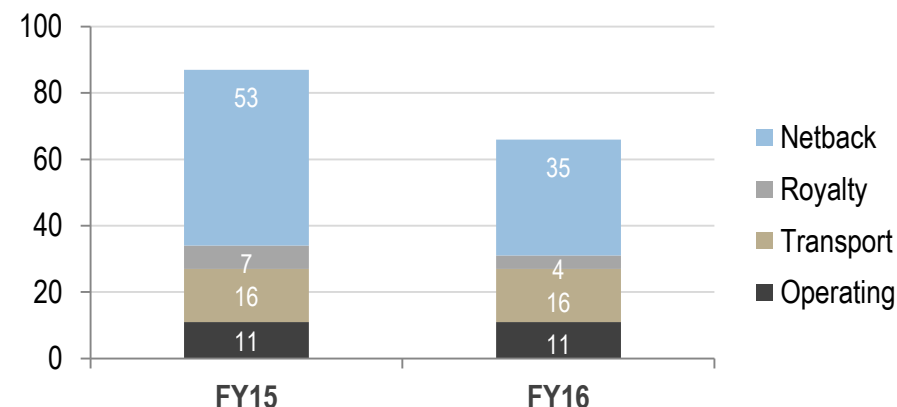
No drilling in FY16, lower prices and costs reduced

Cooper Basin Proved & Probable (2P) reserves
MMbbl¹

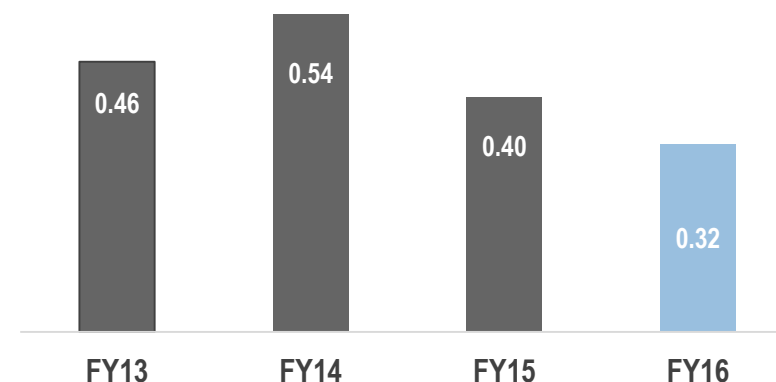


- Production in FY16 and FY17 impacted by suspension of exploration and development drilling in FY16
- Cooper Basin FY16 direct operating cash costs down 9% to A\$31/bbl
- Cooper Basin FY16 netback down 33% on price
- Remapping & processing resulted in 2P upgrade in key producing fields
- Exploration studies identified prospects for drilling in FY17 and beyond
- FY17 1st well (Callawonga-12) successful
 - 2.4 metre high to prognosis and 4 metre gross oil column

Cooper Basin costs & netback
A\$/bbl



Cooper Basin production
MMbbl



Near term and medium catalysts

Existing assets & firm plans to transform COE reserves, revenue cash flow and market leverage

Coming six months:

- Low cost Cooper Basin oil production & exploration
- Sole gas project funding finalised and FID
- Sole gas project construction commences
- Manta project pathway determined
- Operations focussed on Australia

2017 – 2019

- Sole gas project construction complete & production commenced
- Portfolio of long and short term gas sales contracts
- Gippsland exploration upside addressed
- Manta project to FID
- Ongoing portfolio development and growth

- 
- ✓ High exposure and leverage to east coast gas markets and rising gas prices
 - ✓ Strong revenue growth profile
 - ✓ Strong cash flow underpinned by long term sales contracts





Appendices

Company snapshot

ASX listed, strong balance sheet and stable share register

Cooper Energy is an independent Australian exploration and production company

- Cash generating Cooper Basin oil production
- Strong balance sheet, zero debt
- 227 PJ of 2C Contingent Resources¹ (net to COE) being developed for gas opportunity in eastern Australia
- Management team and board experienced in growing resource companies
- Listed in 2002, history of profitable operations and successful exploration and development

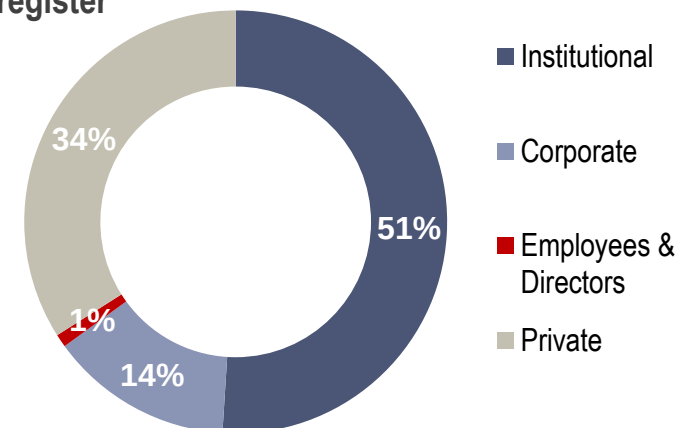
¹ Refer notes on Contingent Resources included in Appendices to this document

² As at 9 September 2016

Key figures

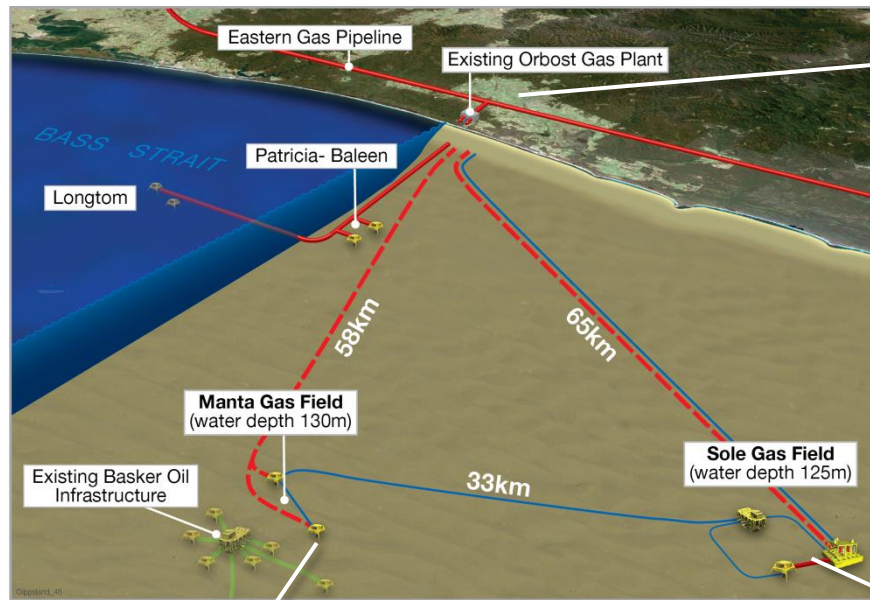
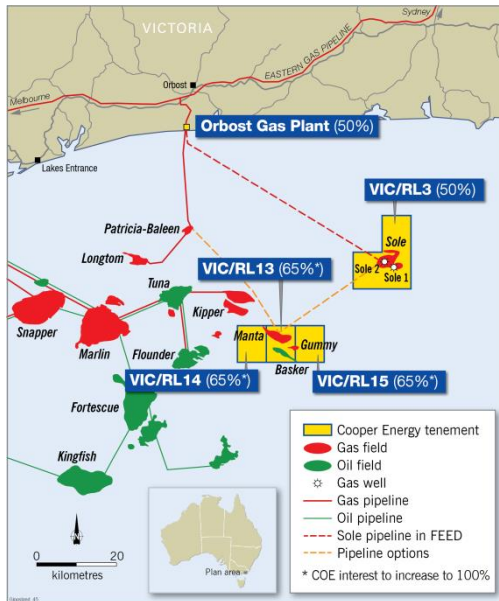
Shares on issue ²	435.2 mill
Shareholders ²	4,816
Market capitalisation ²	\$139 mill
Cash & investments at 30 June	\$51 mill
Debt	Nil
Employees (FTE Australia)	21

Share register



Gippsland Basin gas projects

Existing resources and plant connected to pipeline linking Melbourne and Sydney



Orbest Gas Plant

- Existing plant connected to Eastern Gas Pipeline
- Capacity 90 TJ/day
- Modifications to process Sole gas
- COE: 50%, STO 50% (Operator)

Illustrative graphic only – actual development plan may differ

Phase 3: Other

- Exploration potential in deeper reservoirs is significant e.g. Manta
- Other gas resources

Phase 2: Manta

- 106 PJ gas + 2.6 MMbbls liquids 2C Contingent Resource¹
- Appraisal required: 1 well (also appraises Manta Deep)
- Production of 23 PJ pa from 2022
- COE: 100%²

Phase 1: Sole

- 241 PJ gas 2C Contingent Resource¹
- Production of 25 PJ pa from 2019
- FEED complete for FID within 2016
- Cost competitive
- COE 50%, STO 50% (Operator)

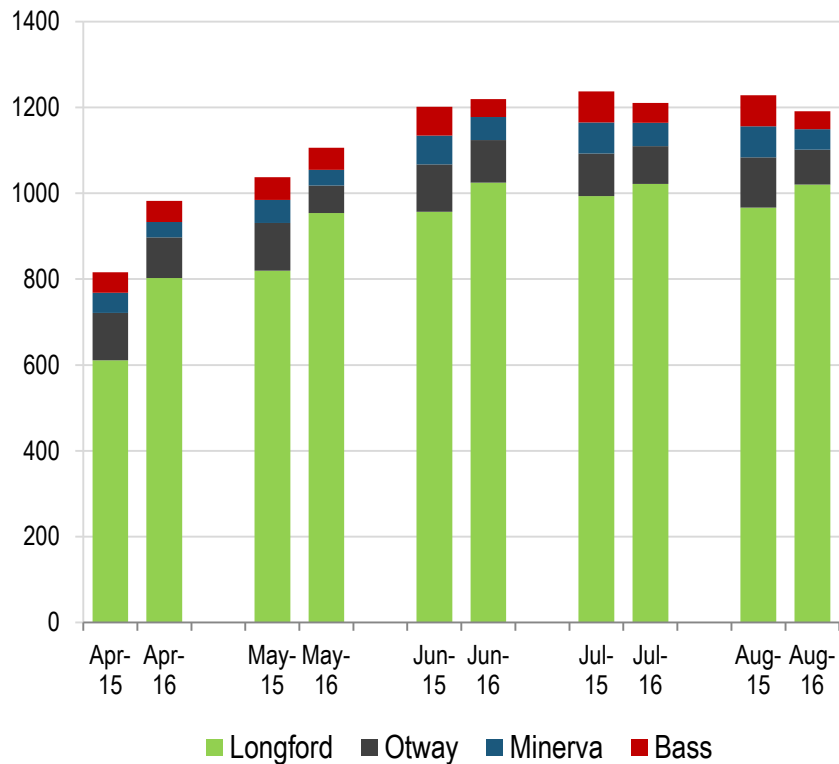
¹ 2C Contingent Resources 100% joint venture volume. Manta liquids resource of 2.6 MM bbls refers to condensate only. Refer notes on resource calculation included in the appendices to this document.

² COE interest increased to 100% after BPT assigned its interest. BPT will retain a 35% participating interest until the effective date of withdrawal, being 27 October 2016. Beach are contractually obliged to perform certain obligations under the JOA in respect of their participating interest (35%) until 27 October. COE 100% equity is expected to be sold down in due course.

South-east gas production and prices

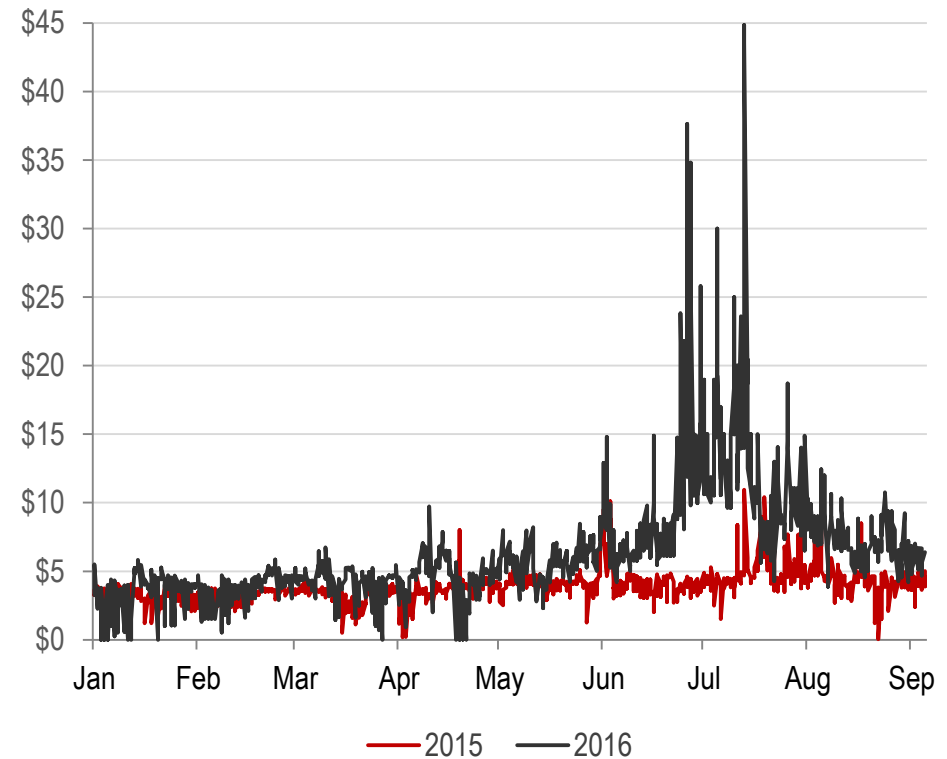
Gippsland production consistent, at capacity, decline from other S E Australian sources

Gas flows from south east Australian sources 2015 vs 2016
2016
average Tj/day



Tightening supply evident in 2016 gas price and increased volatility

Victorian wholesale gas price 2015 vs 2016
\$GJ



Reserves & Resources¹

Petroleum Reserves at 30 June 2016 (MMbbl)

Category	Proved (1P)			Proved plus Probable (2P)			Proved, Probable plus Possible (3P)		
	Australia	Indonesia	Total	Australia	Indonesia	Total	Australia	Indonesia	Total
Developed	0.62	0.50	1.12	0.98	0.93	1.91	1.70	1.39	3.08
Undeveloped	0.16	0.31	0.48	0.29	0.80	1.09	0.48	1.70	2.19
Total	0.78	0.82	1.59	1.27	1.73	3.00	2.18	3.09	5.27

Contingent Resources at 30 June 2016 (MMboe)

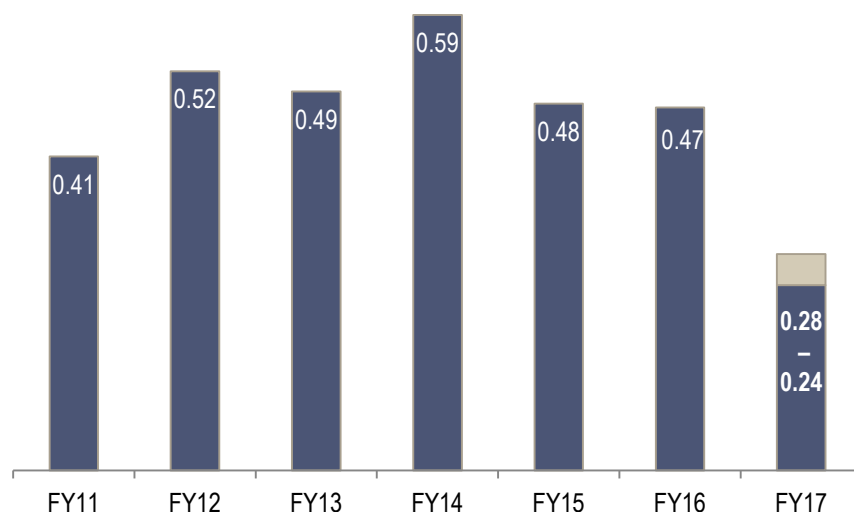
Category	1C			2C			3C		
	Gas PJ	Oil MMbbl	Total MMboe	Gas PJ	Oil MMbbl	Total MMboe	Gas PJ	Oil MMbbl	Total MMboe
Australia	156.0	2.6	29.4	212.9	4.9	41.6	300.9	7.9	59.8
Indonesia	1.3	0.0	0.2	2.3	0.0	0.4	4.3	0.0	0.7
Tunisia	1.6	8.6	8.9	5.6	16.1	17.0	18.5	36.3	39.5
Total	158.9	11.2	38.6	220.7	21.0	59.0	323.7	44.2	100.1

FY17 guidance on current operations

Production from Cooper Basin only following sale of Indonesia assets.
Capex estimates exclude Sole post FID

FY16 production guidance

MMbbl



FY17 capital expenditure outlook, excluding Sole post FID

\$ million *approximate*

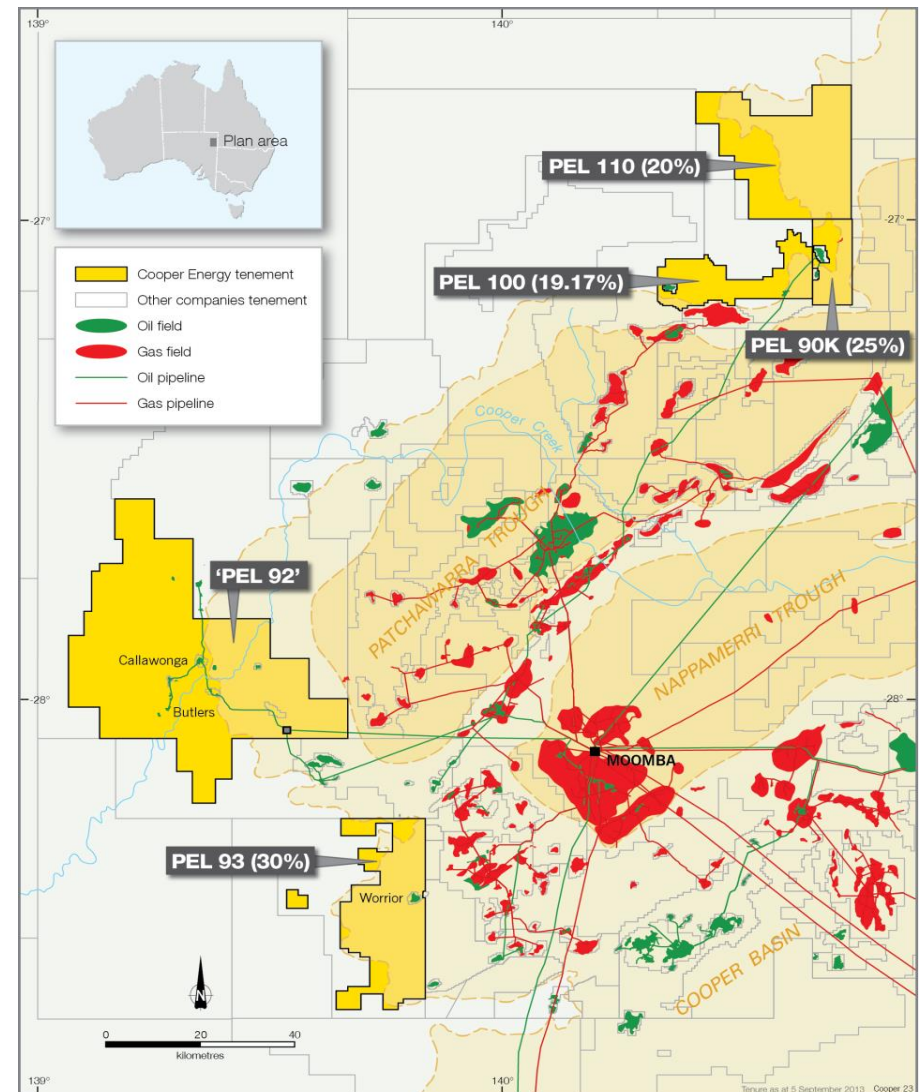
	Expenditure			Wells #	
	Total	Exp.	Dev.	Exp.	Dev.
Australia					
• Cooper Basin	5	2	3	1-2	2-3
• Otway Basin	1	1	-	-	-
• Gippsland Basin	8	8	-	-	-
Total	14	10	3	1-2	2-3

- FY16 production guidance 0.24 MMbbl - 0.28 MMbbl from western flank of Cooper Basin
- Cooper Basin drilling to resume
- Operating costs per barrel in line with previous guidance (A\$31/bbl)
- Capex estimates to be recast on affirmative FID for Sole
- G&A costs of approximately \$12 million (or approximately \$10 million excluding share based payments) anticipated; includes approximately \$1 million in relation to Sole project funding (pre FID) and provision for the closure of Tunisian operations

Cooper Basin

Low cost cash generating production; drilling to resume

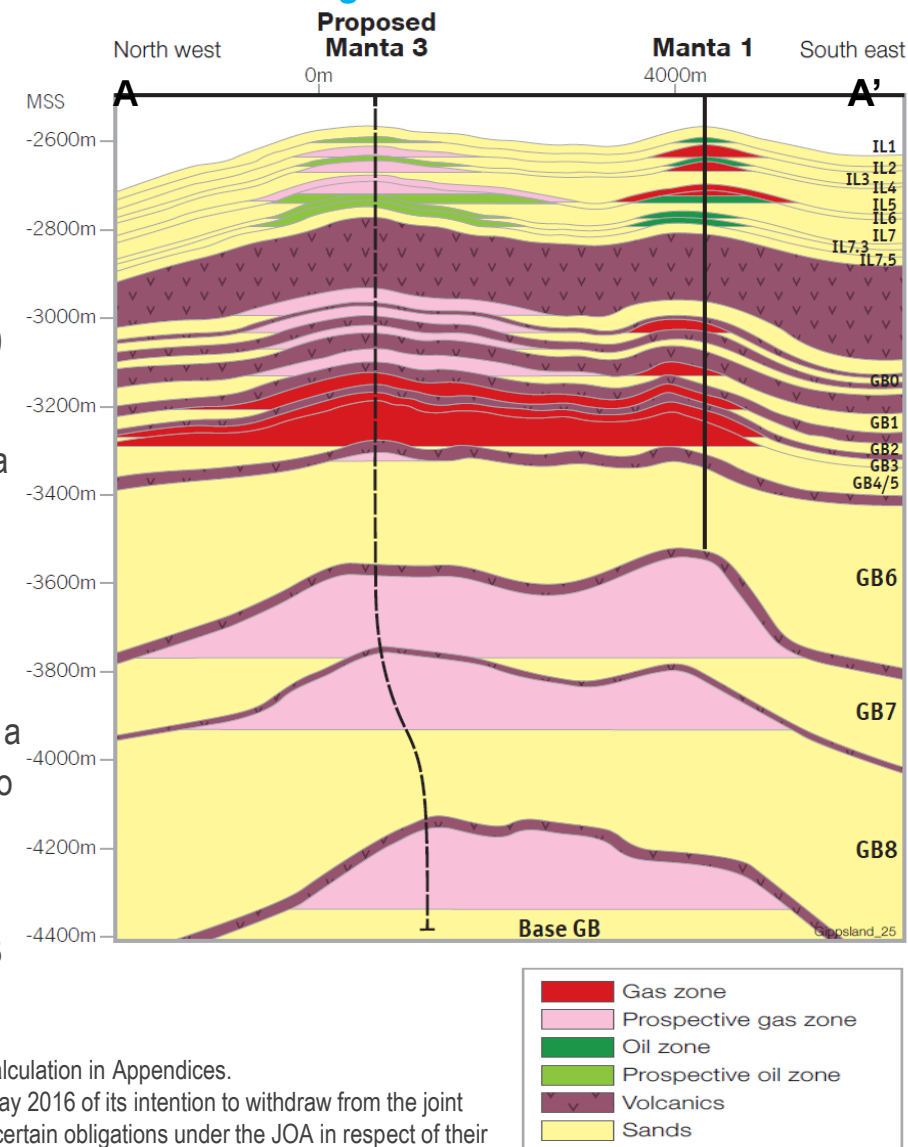
- FY17 production forecast to be 0.24 MMbbl – 0.28 MMbbl
- FY17 forecast direct operating cash cost ~A\$31/bbl including transport and royalties
- Ongoing investment in technical effort maintained with seismic inversion studies and prospect interpretation ongoing
- 3- 5 wells planned for FY17:
 - PEL 92 JV: 1 development, 1-2 exploration
 - PPL 220 (Worrior): 1-2 development
- Drilling resumed in August '16 with successful Callawonga-12



Manta gas

Gas resource with substantial potential in exploration targets below Manta gas field

- COE business case identified economic opportunity for Manta development
- Manta gas attracting enquiries from gas buyers
- Untested Golden Beach reservoirs identified within the same structure below proven gas in the Manta field
- Gas resource of 106 PJ 2C Contingent and Risked Prospective Resource of 10 PJ¹ (Cooper Energy 100%²)
- Re-assessed Best Estimate Net Prospective Resource³ in Manta and Chimaera is 97.5 MMboe consisting of 491 PJ gas and 13.1 MMbbls oil and gas liquid (Cooper Energy 100% net share)
- The estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- Opportunity to evaluate multiple additional reservoir sections by drilling Manta-3 another 1,000 metres deeper than Manta



¹ As announced to ASX on 16 July 2015. Refer to notes on Reserve and Resource calculation in Appendices.

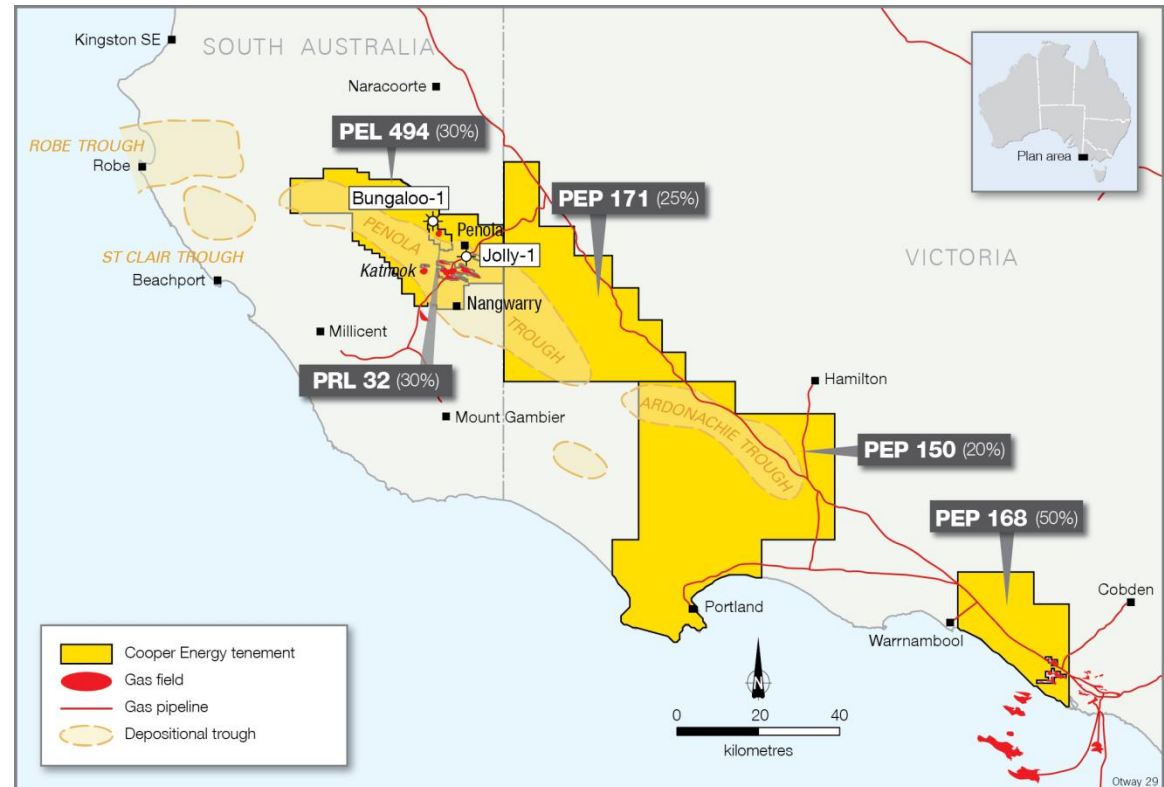
² COE hold 100% title following advice from 35% interest holder Beach Energy in May 2016 of its intention to withdraw from the joint venture, effective from 27 October 2016. Beach are contractually obliged to perform certain obligations under the JOA in respect of their participating interest (35%) until 27 October. COE expects its 100% equity will be sold down in due course.

³ As announced to ASX on 4 May 2016. Cooper Energy confirms that it is not aware of any new information or data that materially affects the information included in the announcements of 16 July 2015 and 4 May 2016 and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

Otway Basin

Drilling results and analysis confirm prospectivity for conventional gas and shale potential

- Analysis of Jolly-1 and Bungaloo-1 well data in PEL 494 and PRL 32 has confirmed:
 - a deep conventional gas play in Lower Sawpit Formation
 - Casterton Formation unconventional shale gas play
- Victorian acreage subject of application to suspend and extend due to moratorium on onshore gas production
- Proposed activities
 - seismic reprocessing
 - rationalise portfolio and focus on key prospective areas



Notes on calculation of Reserves and Resources

The approach for all reserve and resource calculations is consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS). The resource estimate methodologies incorporate a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. Project and field totals are aggregated by arithmetic and probabilistic summation. Aggregated 1P or 1C may be a conservative estimate and aggregated 3P and 3C may be an optimistic estimate due to the effects of arithmetic summation. Totals may not exactly reflect arithmetic addition due to rounding.

Reserves

The Cooper Basin totals comprise the probabilistically aggregated PEL 92 project fields and the arithmetic summation of the Worrior project reserves. Total includes 0.05 MMbbl oil reserves used for field fuel. The Indonesia totals include removal of non-shareable oil (NSO) and comprise the probabilistically aggregated Tangai-Sukananti KSO project fields. Totals are derived by arithmetic summation.

Notes on calculation of Contingent Resources

Sole gas field

Contingent Resources have been assessed using probabilistic simulation modelling for the Kingfish Formation at the Sole Field. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. The conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). The date of the Sole Contingent Resource Assessment is 26 November 2015 and the assessment was announced to the ASX on 26 November 2015. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

Manta gas and oil field

Contingent and Prospective Resources have been assessed using deterministic simulation modelling and probabilistic resource estimation for the Intra-Latrobe and Golden Beach Sub-Group in the Manta field. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. The conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). Contingent Resources for the Manta Field have been aggregated by arithmetic summation. The date of the Manta Contingent Resource assessment is 16 July 2015 and the assessment was announced to the ASX on 16 July 2015. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

Basker gas and oil field.

Contingent and Resources have been assessed using deterministic simulation modelling and probabilistic resource estimation for the Intra-Latrobe Sub-Group in the Basker field. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. The conversion factor of 1PJ = 0.172MMboe has been used to convert from Sales Gas (PJ) to Oil Equivalent (MMboe). Contingent Resources for the Basker Field have been aggregated by arithmetic summation. The date of the Basker Contingent Resource assessment is 15 August 2014 and the assessment was announced to the ASX on 18 August 2014. Cooper Energy is not aware of any new information or data that materially affects the information provided in that release and all material assumptions and technical parameters underpinning the assessment provided in the announcement continues to apply.

Cautionary Prospective Resource Statement

Manta and Chimaera East

These estimated quantities of petroleum that may be potentially recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to confirm the existence of a significant quantity of potentially movable hydrocarbons. Cooper Energy Limited (COE) has undertaken a Prospective Resources assessment using probabilistic resource estimation for the Intra-Latrobe and Golden Beach Sub-Group in the Manta Field and Chimaera East prospects. This methodology incorporates a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes. This approach is consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS). Analytical procedures used to assess Prospective Resources were: interpretation of reprocessed 3D seismic data; detailed time/depth conversion; and wireline log correlation and petrophysical analysis from the wells drilled in the adjacent fields. This prospective resource assessment is dated 3 May 2016 and released to the ASX 4 May 2016.

Abbreviations

\$	Australian dollars unless specified otherwise
Bbl	barrels of oil
boe	barrel of oil equivalent
bopd	barrel of oil per day
EBITDA	earnings before interest, tax, depreciation and amortisation
FEED	Front end engineering and design
kbbbls	thousand barrels
LTIFR	Lost Time Injury Frequency Rate. Lost Time Incidents per million man hours worked
MMbbl	million barrels of oil
MMboe	million barrels of oil equivalent
NPAT	net profit after tax
PEL 92	Joint Venture conducting operations in Western Flank Cooper Basin Petroleum Retention Licences 85 – 104 previously encompassed by the PEL 92 exploration licence
TRCFR	Total Recordable Case Frequency Rate. Recordable cases per million hours worked
TSR	total shareholder return
1P reserves	Proved reserves
2P reserves	Proved and Probable reserves
3P	Proved, Probable and Possible reserves
1C, 2C, 3C	high, medium and low estimates of contingent resources